

PROPERTY TAX LEVY FOR EDUCATION

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael R. Styler

This act modifies the State System of Public Education Code and the Property Tax Act by setting the minimum basic tax rate. This act makes technical amendments. This act takes effect on July 1, 2003.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

53A-1a-106, as last amended by Chapter 254, Laws of Utah 2002

53A-17a-103, as last amended by Chapter 279, Laws of Utah 2002

53A-17a-135, as last amended by Chapter 279, Laws of Utah 2002

59-2-906.1, as last amended by Chapter 133, Laws of Utah 2001

59-2-926, as enacted by Chapter 271, Laws of Utah 1995

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-1a-106** is amended to read:

53A-1a-106. School district and individual school powers.

(1) In order to acquire and develop the characteristics listed in Section 53A-1a-104, each school district and each public school within its respective district shall implement a comprehensive system of accountability in which students advance through public schools by demonstrating competency in required skills and mastery of required knowledge through the use of diverse assessment instruments such as authentic and criterion referenced tests, projects, and portfolios.

(2) (a) Each school district and public school shall:

(i) develop and implement programs integrating technology into the curriculum, instruction, and student assessment;

(ii) provide for teacher and parent involvement in policymaking at the school site;



(iii) implement a public school choice program to give parents, students, and teachers greater flexibility in designing and choosing among programs with different focuses through schools within the same district and other districts, subject to space availability, demographics, and legal and performance criteria;

(iv) establish strategic planning at both the district and school level and site-based decision making programs at the school level;

(v) provide opportunities for each student to acquire and develop academic and occupational knowledge, skills, and abilities;

(vi) participate in ongoing research and development projects primarily at the school level aimed at improving the quality of education within the system; and

(vii) involve business and industry in the education process through the establishment of partnerships with the business community at the district and school level.

(b) (i) Each local school board, in consultation with school personnel, parents, and school community councils or similar entities shall establish policies to provide for the effective implementation of a personalized student education plan (SEP) or student education/occupation plan (SEOP) for each student at the school site.

(ii) The policies shall include guidelines and expectations for:

(A) recognizing the student's accomplishments, strengths, and progress towards meeting student achievement standards as defined in U-PASS;

(B) planning, monitoring, and managing education and career development; and

(C) involving students, parents, and school personnel in preparing and implementing SEPs and SEOPs.

(iii) A parent may request conferences with school personnel in addition to SEP or SEOP conferences established by local school board policy.

(iv) Time spent during the school day to implement SEPs and SEOPs is considered part of the school term referred to in Subsection 53A-17a-103[(5)] (4).

(3) A school district or public school may submit proposals to modify or waive rules or policies of a supervisory authority within the public education system in order to acquire or develop the characteristics listed in Section 53A-1a-104.

(4) (a) Each school district and public school shall make an annual report to its patrons on its activities under this section.

(b) The reporting process shall involve participation from teachers, parents, and the community at large in determining how well the district or school is performing.

~~[(c) The State Board of Education shall receive a copy of each report and make a summary report to the strategic planning committee referred to in Section 53A-1a-102.]~~

Section 2. Section **53A-17a-103** is amended to read:

53A-17a-103. Definitions.

As used in this chapter:

(1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each district by \$2,132, except as otherwise provided in this chapter.

~~[(2) "Certified revenue levy" means a property tax levy that provides the same amount of ad valorem property tax revenue as was collected for the prior year, plus new growth, but exclusive of revenue from collections from redemptions, interest, and penalties.]~~

~~[(3)]~~ (2) "Leeway program" or "leeway" means a state-supported voted leeway program or board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.

~~[(4)]~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

~~[(5)]~~ (4) (a) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection ~~[(5)]~~ (4).

(b) The minimum school program established in the districts shall include the equivalent of a school term of nine months as determined by the State Board of Education.

(c) (i) The board shall establish the number of days or equivalent instructional hours that school is held for an academic school year.

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) The program shall be operated and maintained for the total of the following annual costs:

(i) the cost of a basic state-supported school program;
(ii) other amounts appropriated in Chapter 17a, Minimum School Program Act, in addition to the basic program; and
(iii) school construction aid programs authorized under Title 53A, Chapter 21, Public Education Capital Outlay Act.

~~[(6)]~~ (5) "Weighted pupil unit or units" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each district.

Section 3. Section **53A-17a-135** is amended to read:

53A-17a-135. Minimum basic tax rate.

(1) ~~[(a)]~~ In order to qualify for receipt of the state contribution toward the basic program and as its contribution toward its costs of the basic program, each school district shall impose a minimum basic tax rate of .001813 per dollar of taxable value ~~[that generates \$206,690,578 in revenues statewide].~~

~~[(b) The preliminary estimate for the 2002-03 tax rate is .001813.]~~

~~[(c) The State Tax Commission shall certify on or before June 22 the rate that generates \$206,690,578 in revenues statewide.]~~

~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section 59-2-102, the state is subject to the notice requirements of Section 59-2-926.]~~

(2) (a) The state shall contribute to each district toward the cost of the basic program in the district that portion which exceeds the proceeds of the levy authorized under Subsection (1).

(b) In accord with the state strategic plan for public education and to fulfill its responsibility for the development and implementation of that plan, the Legislature instructs the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each of the coming five years to develop budgets that will fully fund student enrollment growth.

(3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the cost of the basic program in a school district, no state contribution shall be made to the basic program.

(b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of the basic program shall be paid into the Uniform School Fund as provided by law.

Section 4. Section **59-2-906.1** is amended to read:

59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy -- Additional county levy permitted.

(1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a multicounty assessing and collecting levy not to exceed .0003 as provided in Subsection (2).

(b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be imposed annually by each county in the state.

(c) The purpose of the multicounty assessing and collecting levy created under Subsection (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(d) Income derived from the investment of money in the fund created in this Subsection (1) shall be deposited in and become part of the fund.

(2) (a) Except as authorized in Subsection (2)(b), beginning in fiscal year 1996-97 to fund the Property Tax Valuation Agency Fund the Legislature shall authorize the amount of the multicounty assessing and collecting levy, except that the multicounty assessing and collecting levy may not exceed the certified revenue levy as defined in Section ~~[53A-17a-103]~~ 59-2-102.

(b) If the Legislature authorizes a multicounty assessing and collecting levy that exceeds the certified revenue levy, it is subject to the notice requirements of Section 59-2-926.

(c) For the calendar year beginning on January 1, 1998, and ending December 31, 1998, the certified revenue levy shall be increased by the amount necessary to offset the decrease in revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the Legislature during the 1997 Annual General Session.

(d) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999, the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

(3) (a) The multicounty assessing and collecting levy authorized by the Legislature

under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and collecting levy.

(b) The multicounty assessing and collecting levy authorized by the Legislature under Subsection (2) is:

(i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908; and

(iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.

(c) Each county shall transmit quarterly to the state treasurer the portion of the .0003 multicounty assessing and collecting levy which is above the amount to which that county is entitled to under Section 59-2-906.2.

(i) The revenue shall be transmitted no later than the tenth day of the month following the end of the quarter in which the revenue is collected.

(ii) If revenue is transmitted after the tenth day of the month following the end of the quarter in which the revenue is collected, the county shall pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

(d) The state treasurer shall deposit the revenue from the multicounty assessing and collecting levy, any interest accrued from that levy, and any penalties received under Subsection (3)(c) in the Property Tax Valuation Agency Fund.

(4) Each county may levy an additional property tax up to .0002 per dollar of taxable value of taxable property as reported by each county. This levy shall be stated on the tax notice as a county assessing and collecting levy.

(a) The purpose of the levy established in this Subsection (4) is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(b) Any levy established in Subsection (4)(a) is:

(i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section

59-2-908; and

(iii) is subject to the notice requirements of Sections 59-2-918 and 59-2-919.

Section 5. Section **59-2-926** is amended to read:

59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.

If the state authorizes a levy pursuant to Section [~~53A-17a-135 or~~] 59-2-906.1 that exceeds the certified revenue levy, the state shall publish a notice no later than ten days after the last day of the annual legislative general session that meets the following requirements:

(1) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be run once.

(2) The form and content of the notice shall be substantially as follows:

"NOTICE OF TAX INCREASE

The state has budgeted an increase in its property tax revenue from \$_____ to \$_____ or ____%. The increase in property tax revenues will come from the following sources (include all of the following provisions):

(a) \$_____ of the increase will come from (provide an explanation of the cause of adjustment or increased revenues, such as reappraisals or factoring orders);

(b) \$_____ of the increase will come from natural increases in the value of the tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

(c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or both) paid \$_____ in property taxes would pay the following:

(i) \$_____ if the state of Utah did not budget an increase in property tax revenue exclusive of new growth; and

(ii) \$_____ under the increased property tax revenues exclusive of new growth budgeted by the state of Utah."

Section 6. **Effective date.**

214 This act takes effect on July 1, 2003.

Legislative Review Note
as of 2-5-03 7:33 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0341

Property Tax Levy for Education*10-Feb-03**3:04 PM*

State Impact

Passage of this bill could increase the Local Contribution to the Minimum School Program by \$8,500,000.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
Uniform School Fund	(\$8,500,000)	\$0	\$0	\$0
Local Revenue	\$8,500,000	\$0	\$8,500,000	\$0
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$8,500,000</u>	<u>\$0</u>

Individual and Business Impact

No significant fiscal impact.

Office of the Legislative Fiscal Analyst